



**ASSEMBLY AMENDMENT 3,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2009 ASSEMBLY BILL 447**

February 16, 2010 – Offered by Representatives Bernard Schaber, Pasch, Danou, Clark, Zigmunt, Roys, Mason, Milroy, Hubler, Schneider, Vruwink, Turner, Steinbrink, Hixson, Kessler, Benedict, Grigsby, A. Williams, Pocan, Black and Hilgenberg.

*** AUTHORS SUBJECT TO CHANGE ***

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 2: before “regulating” insert “finance charges for licensed
3 lenders,”.

4 **2.** Page 5, line 2: after that line insert:

5 “**SECTION 2d.** 138.09 (1d) of the statutes is renumbered 138.09 (1d) (intro.) and
6 amended to read:

7 138.09 (**1d**) (intro.) In this section, “~~division~~”:

8 (a) “Division” means the division of banking.

9 **SECTION 2h.** 138.09 (1d) (b) of the statutes is created to read:

10 138.09 (**1d**) (b) “Finance charge” has the meaning given in s. 421.301 (20).

11 **SECTION 2p.** 138.09 (1m) (a) of the statutes is amended to read:

1 138.09 (1m) (a) Before any person may do business under this section or charge
2 the interest authorized by sub. (7) and before any creditor other than a bank, savings
3 bank, savings and loan association or credit union may ~~assess a finance charge on~~
4 make a consumer loan ~~in excess of 18% per year \$5,000 or less~~, that person shall first
5 obtain a license from the division. Applications for a license shall be in writing and
6 upon forms provided for this purpose by the division. An applicant at the time of
7 making an application shall pay to the division a nonrefundable \$300 fee for
8 investigating the application and a \$500 annual license fee for the period
9 terminating on the last day of the current calendar year. If the cost of the
10 investigation exceeds \$300, the applicant shall upon demand of the division pay to
11 the division the amount by which the cost of the investigation exceeds the
12 nonrefundable fee.

13 **SECTION 2t.** 138.09 (7m) of the statutes is created to read:

14 138.09 (7m) (a) No creditor who is licensed under sub. (1m) may assess a
15 finance charge on a consumer loan that is more than 36 percent per year.

16 (b) If a creditor makes a consumer loan that violates par. (a), the borrower may
17 bring an action against the creditor for an amount equal to twice the amount of the
18 finance charge in connection with the loan, or the actual damages, including any
19 incidental and consequential damages, sustained by the borrower by reason of the
20 violation, whichever is greater, and, notwithstanding s. 814.04 (1), the costs of the
21 action, including reasonable attorney fees.”.

22 **3.** Page 7, line 18: after “less.” insert “In addition, the finance charge on a
23 payday loan is subject to s. 138.09 (7m) (a).”.

24 **4.** Page 15, line 13: after that line insert:

“(1m) The treatment of section 138.09 (1m) (a) and (7m) of the statutes, the renumbering and amendment of section 138.09 (1d) of the statutes, and the creation of section 138.09 (1d) (b) of the statutes first apply to loans made, refinanced, or consolidated on the effective date of this subsection.”.

5. Page 15, line 20: after that line insert:

“(1m) The treatment of section 138.09 (1m) (a) and (7m) of the statutes, the renumbering and amendment of section 138.09 (1d) of the statutes, and the creation of section 138.09 (1d) (b) of the statutes take effect on the first day of the 3rd month beginning after publication.”.

(END)